

KAF INVESTMENT BANK BERHAD

(Company No: 20657-W)

(Incorporated in Malaysia)

Unaudited Consolidated Statement of Financial Position**As at 31 December 2024**

		Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
	Note		
ASSETS			
Cash and short term funds	7	1,093,218	2,032,662
Statutory deposits with Bank Negara Malaysia		141,000	87,000
Financial assets at fair value through profit or loss	8	994,435	495,742
Financial assets at fair value through other comprehensive income	9	4,544,050	4,038,402
Financial assets at amortised cost	10	1,429,826	1,430,902
Loans, advances and financing	11	17,187	25,080
Derivative assets		2,127	1
Receivables, deposits and prepayments	12	43,119	41,013
Tax recoverable		13,607	9,033
Investment properties		110,231	110,231
Intangible asset	13	59,731	59,655
Property, plant and equipment		18,784	20,245
Right-of-use asset		17,275	19,884
TOTAL ASSETS		8,484,590	8,369,850
LIABILITIES			
Deposit from customers	14	5,127,544	5,816,342
Deposits and placements of banks and other financial institutions	15	1,936,198	1,085,903
Other liabilities	16	35,875	74,549
Provision for zakat		388	863
Deferred tax liabilities		3,046	688
Lease liabilities		16,428	18,503
Total liabilities		7,119,479	6,996,848
EQUITY			
Share capital		80,000	80,000
Reserves		1,261,237	1,271,990
Total equity attributable to owner of the parent		1,341,237	1,351,990
Non-controlling interests		23,874	21,012
Total equity		1,365,111	1,373,002
TOTAL EQUITY AND LIABILITIES		8,484,590	8,369,850
Commitments and contingencies	22	201,535	76,555

This unaudited Interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024.

KAF INVESTMENT BANK BERHAD

(Company No: 20657-W)

(Incorporated in Malaysia)

Unaudited Statement of Financial Position**As at 31 December 2024**

		Current Financial 2nd Quarter 31.12.2024 <u>RM '000</u>	Previous Financial Year Ended 30.6.2024 <u>RM '000</u>
	Note		
ASSETS			
Cash and short term funds	7	1,074,642	1,986,646
Statutory deposits with Bank Negara Malaysia		141,000	87,000
Financial assets at fair value through profit or loss	8	905,683	403,011
Financial assets at fair value through other comprehensive income	9	4,544,050	4,038,402
Financial assets at amortised cost	10	1,429,826	1,430,902
Loans, advances and financing	11	17,187	25,080
Derivative assets		2,127	1
Receivables, deposits and prepayments	12	7,134	12,552
Amount due from subsidiary companies		77,613	45,921
Tax recoverable		12,798	7,675
Investment in subsidiaries		389,447	189,447
Investment in associates		306	306
Intangible asset	13	52,500	52,500
Property, plant and equipment		15,556	17,086
Right-of-use asset		14,894	16,832
TOTAL ASSETS		8,684,763	8,313,361
LIABILITIES			
Deposit from customers	14	5,372,080	5,854,543
Deposits and placements of banks and other financial institutions	15	1,936,198	1,085,903
Other liabilities	16	12,345	10,540
Provision for zakat		388	863
Deferred tax liabilities		3,799	1,441
Lease liabilities		14,104	15,797
Total liabilities		7,338,914	6,969,087
EQUITY			
Share capital		80,000	80,000
Reserves		1,265,849	1,264,274
Total equity		1,345,849	1,344,274
TOTAL EQUITY AND LIABILITIES		8,684,763	8,313,361
Commitments and contingencies	22	201,535	76,555

This unaudited Interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024.

KAF INVESTMENT BANK BERHAD

(Company No: 20657-W)

(Incorporated in Malaysia)

Unaudited Consolidated Statement of Comprehensive Income**For the second quarter ended 31 December 2024**

		Individual Quarter		Cumulative Quarter		Previous
		Current	Previous	Current	Previous	Financial
		Financial	Financial	Financial	Financial	Financial
		2nd Quarter	2nd Quarter	Year-to-date	Year-to-date	Year-to-date
Note		31.12.2024	31.12.2023	31.12.2024	31.12.2023	30.6.2024
		<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
Continuing operations						
Interest income	17	70,228	71,128	130,753	143,430	273,176
Interest expense	18	(55,154)	(57,117)	(101,573)	(104,130)	(204,220)
		<u>15,074</u>	<u>14,011</u>	<u>29,180</u>	<u>39,300</u>	<u>68,956</u>
Other operating income	19	8,320	53,973	47,866	48,384	113,888
		<u>23,394</u>	<u>67,984</u>	<u>77,046</u>	<u>87,684</u>	<u>182,844</u>
Income from Islamic banking operations	24	7,015	8,485	13,443	18,268	35,021
		<u>30,409</u>	<u>76,469</u>	<u>90,489</u>	<u>105,952</u>	<u>217,865</u>
Other operating expenses	20	(45,057)	(32,978)	(81,022)	(58,062)	(125,125)
Profit from operations		<u>(14,648)</u>	<u>43,491</u>	<u>9,467</u>	<u>47,890</u>	<u>92,740</u>
Allowance for credit impairment loss	31	(617)		4,005	(3,539)	(3,838)
Net increase/(decrease) in net asset of associate		-	478	-	-	255
Profit before taxation and zakat		<u>(14,617)</u>	<u>43,352</u>	<u>13,472</u>	<u>44,351</u>	<u>89,157</u>
Taxation		2,785	(7,521)	(5,618)	(10,512)	(26,175)
Zakat		<u>(181)</u>	<u>(212)</u>	<u>(388)</u>	<u>(429)</u>	<u>(863)</u>
Profit for the financial year from continuing operations		(12,013)	35,619	7,466	33,410	62,119
Discontinuing operations						
(Loss)/Gain for the financial year from discontinuing operations	21	-	1,518	-	163	86,326
Profit for the financial year		(12,013)	37,137	7,466	33,573	148,445

This unaudited Interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024.

KAF INVESTMENT BANK BERHAD

(Company No: 20657-W)

(Incorporated in Malaysia)

Unaudited Consolidated Statement of Comprehensive Income (Continued)**For the second quarter ended 31 December 2024**

	Individual Quarter		Cumulative Quarter		Previous
	Current	Previous	Current	Previous	Financial
	Financial	Financial	Financial	Financial	Financial
	2nd Quarter	2nd Quarter	Year-to-date	Year-to-date	Year-to-date
	31.12.2023	30.11.2022	31.12.2023	30.11.2022	30.6.2023
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
<u>Other comprehensive income:</u>					
Continuing operations					
Item that will be reclassified to profit or loss					
Fair value through other comprehensive income reserve					
- Net unrealised fair value gain/(loss)	(18,591)	81,805	7,954	39,299	(895)
- Expected credit loss	1,404	423	(1,303)	2,505	2,558
- Income tax relating to net fair value changes	4,462	(19,633)	(1,909)	(9,432)	215
Currency translation reserve	-	-	-	-	1,081
Tax impact arising from disposal	-	-	-	-	1,290
Other comprehensive income for the financial year, net of tax	(12,725)	62,595	4,742	32,372	4,249
Total comprehensive income for the financial year	<u>(24,738)</u>	<u>99,732</u>	<u>12,208</u>	<u>65,945</u>	<u>152,694</u>
Net profit for the financial year attributable to:					
- Owner of the parent					
- from continuing operations	(13,019)	35,112	4,604	33,235	60,846
- from discontinuing operations	-	1,518	-	163	86,326
- Non-controlling interests					
- from continuing operations	1,006	507	2,862	175	1,273
	<u>(12,013)</u>	<u>37,137</u>	<u>7,466</u>	<u>33,573</u>	<u>148,445</u>
Total comprehensive income for the financial year attributable to:					
- Owner of the parent					
- from continuing operations	(25,744)	97,707	9,346	65,607	65,095
- from discontinuing operations	-	1,518	-	163	86,326
- Non-controlling interests					
- from continuing operations	1,006	507	2,862	175	1,273
	<u>(24,738)</u>	<u>99,732</u>	<u>12,208</u>	<u>65,945</u>	<u>152,694</u>

KAF INVESTMENT BANK BERHAD

(Company No: 20657-W)

(Incorporated in Malaysia)

Unaudited Statement of Comprehensive Income**For the second quarter ended 31 December 2024**

		Individual Quarter		Cumulative Quarter		Previous
		Current	Previous	Current	Previous	Financial
		Financial	Financial	Financial	Financial	Financial
		2nd Quarter	2nd Quarter	Year-to-date	Year-to-date	Year-to-date
Note		31.12.2024	31.12.2023	31.12.2024	31.12.2023	30.6.2024
		RM '000	RM '000	RM '000	RM '000	RM '000
Interest income	17	70,170	71,111	130,627	143,376	272,875
Interest expense	18	(56,590)	(57,935)	(103,308)	(105,656)	(205,234)
		<u>13,580</u>	<u>13,176</u>	<u>27,319</u>	<u>37,720</u>	<u>67,641</u>
Other operating income	19	(6,478)	47,018	14,937	35,029	71,669
		<u>7,102</u>	<u>60,194</u>	<u>42,256</u>	<u>72,749</u>	<u>139,310</u>
Income from Islamic banking operations	24	7,015	8,485	13,443	18,268	35,021
		<u>14,117</u>	<u>68,679</u>	<u>55,699</u>	<u>91,017</u>	<u>174,331</u>
Other operating expenses	20	(22,662)	(16,713)	(37,643)	(30,597)	(63,703)
Profit from operations		<u>(8,545)</u>	<u>51,966</u>	<u>18,056</u>	<u>60,420</u>	<u>110,628</u>
Allowance for credit impairment loss		31	(617)	4,005	(3,539)	(3,838)
Profit before taxation and zakat		<u>(8,514)</u>	<u>51,349</u>	<u>22,061</u>	<u>56,881</u>	<u>106,790</u>
Taxation		3,004	(7,154)	(4,754)	(9,528)	(25,362)
Zakat		(181)	(212)	(388)	(429)	(863)
Profit for the financial year		<u>(5,691)</u>	<u>43,983</u>	<u>16,919</u>	<u>46,924</u>	<u>80,565</u>
Other comprehensive income:						
Fair value through other comprehensive income reserve						
- Net unrealised fair value gain/(loss)		(9,593)	82,918	9,825	45,891	(895)
- Expected credit loss		(5,434)	(423)	(2,726)	(2,505)	2,558
- Income tax relating to net fair value changes		2,301	(19,901)	(2,358)	(11,014)	215
Property revaluation reserve						1,290
Other comprehensive income for the financial year, net of tax		<u>(12,726)</u>	<u>62,594</u>	<u>4,741</u>	<u>32,372</u>	<u>3,168</u>
Total comprehensive income for the financial year		<u>(18,417)</u>	<u>106,577</u>	<u>21,660</u>	<u>79,296</u>	<u>83,733</u>

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KAF INVESTMENT BANK BERHAD

(Company No: 20657-W)

(Incorporated in Malaysia)

Unaudited Consolidated Statements of Changes in Equity

For the second quarter ended 31 December 2024

	Attributable to owners of the parent											
	Share Capital	Regulatory Reserve	Property Revaluation Reserve	FVOCI reserve	Other reserve	Merger reserve	Funds Allocated to Islamic Banking Division	Currency Translation Reserve	Retained Earnings	Sub-Total	Non-controlling interests	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Balance as at 1 July 2024	80,000	24,803	-	1,942	1,426	421	105,000	3,795	1,134,603	1,351,990	21,012	1,373,002
Comprehensive income:												
Net profit for the financial year	-	-	-	-	-	-	-	-	4,604	4,604	2,862	7,466
Other comprehensive income:												
Financial assets at FVOCI												
- Net unrealised fair value gain	-	-	-	7,953	-	-	-	-	-	7,953	-	7,953
- Income tax relating to net fair value changes	-	-	-	(1,909)	-	-	-	-	-	(1,909)	-	(1,909)
- Expected credit loss	-	-	-	(1,303)	-	-	-	-	-	(1,303)	-	(1,303)
Regulatory reserve	-	(5,299)	-	-	-	-	-	-	5,299	-	-	-
Currency translation reserve	-	-	-	-	-	-	-	(13)	-	(13)	-	(13)
Total comprehensive income for the financial year	-	(5,299)	-	4,741	-	-	-	(13)	9,903	9,332	2,862	12,194
Dividend paid	-	-	-	-	-	-	-	-	(20,085)	(20,085)	-	(20,085)
As at 31 December 2024	80,000	19,504	-	6,683	1,426	421	105,000	3,782	1,124,421	1,341,237	23,874	1,365,111

	Attributable to owners of the parent											
	Share Capital	Regulatory Reserve	Property Revaluation Reserve	FVOCI reserve	Other reserve	Merger reserve	Funds Allocated to Islamic Banking Division	Currency Translation Reserve	Retained Earnings	Sub-Total	Non-controlling interests	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Balance as at 1 July 2023	80,000	8,239	13,622	64	2,939	421	105,000	2,718	1,157,293	1,370,296	17,658	1,387,954
Comprehensive income:												
Net profit for the financial year	-	-	-	-	-	-	-	-	147,172	147,172	1,273	148,445
Other comprehensive income:												
- Net unrealised fair value loss	-	-	-	(895)	-	-	-	-	-	(895)	-	(895)
- Income tax relating to net fair value changes	-	-	-	215	-	-	-	-	-	215	-	215
- Expected credit loss	-	-	-	2,558	-	-	-	-	-	2,558	-	2,558
Regulatory reserve	-	16,564	-	-	-	-	-	-	(16,564)	-	-	-
Currency translation reserve	-	-	-	-	-	-	-	1,081	-	1,081	-	1,081
Tax impact arising from disposal	-	-	1,290	-	-	-	-	-	-	1,290	-	1,290
Total comprehensive income for the financial year	-	16,564	1,290	1,878	-	-	-	1,081	130,608	151,421	1,273	152,694
Transfer arising from disposal	-	-	(14,912)	-	-	-	-	-	14,912	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(120,000)	(120,000)	-	(120,000)
Acquisition of subsidiary	-	-	-	-	(1,513)	-	-	(4)	-	(1,517)	(260)	(1,777)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(48,210)	(48,210)	2,341	(45,869)
As at 30 June 2024	80,000	24,803	-	1,942	1,426	421	105,000	3,795	1,134,603	1,351,990	21,012	1,373,002

This unaudited Interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024.

KAF INVESTMENT BANK BERHAD

(Company No: 20657-W)

(Incorporated in Malaysia)

Unaudited Statements of Changes in Equity

For the second quarter ended 31 December 2024

	Non-distributable				Distributable		
	Share Capital	Regulatory Reserve	Property Revaluation Reserve	FVOCI reserve	Funds Allocated to Islamic Banking Division	Retained Earnings	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Balance as at 1 July 2024	80,000	24,803	-	3,666	105,000	1,130,805	1,344,274
Comprehensive income:							
Net profit for the financial period	-	-	-	-	-	16,919	16,919
Other comprehensive income:							
Financial assets at FVOCI							
- Net unrealised fair value gain	-	-	-	9,825	-	-	9,825
- Income tax relating to net fair value changes	-	-	-	(2,358)	-	-	(2,358)
- Expected credit loss	-	-	-	(2,726)	-	-	(2,726)
Regulatory reserve	-	(5,299)	-	-	-	5,299	-
Total comprehensive income for the financial year	-	(5,299)	-	4,741	-	22,218	21,660
<u>Transactions with owner</u>							
Dividend paid	-	-	-	-	-	(20,085)	(20,085)
As at 31 December 2024	80,000	19,504	-	8,407	105,000	1,132,938	1,345,849

	Non-distributable				Distributable		
	Share Capital	Regulatory Reserve	Property Revaluation Reserve	FVOCI reserve	Funds Allocated to Islamic Banking Division	Retained Earnings	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Balance as at 1 July 2023	80,000	8,239	13,622	1,788	105,000	1,171,892	1,380,541
Comprehensive income:							
Net profit for the financial period	-	-	-	-	-	80,565	80,565
Other comprehensive income:							
- Net unrealised fair value gain	-	-	-	(895)	-	-	(895)
- Income tax relating to net fair value changes	-	-	-	215	-	-	215
- Expected credit loss	-	-	-	2,558	-	-	2,558
Regulatory reserve	-	16,564	-	-	-	(16,564)	-
Tax impact arising from disposal	-	-	1,290	-	-	-	1,290
Total comprehensive income for the financial year	-	16,564	1,290	1,878	-	64,001	83,733
Transfer arising from disposal	-	-	(14,912)	-	-	14,912	-
<u>Transactions with owner</u>							
Dividend paid	-	-	-	-	-	(120,000)	(120,000)
As at 30 June 2023	80,000	24,803	14,912	3,666	105,000	1,115,893	1,344,274

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KAF INVESTMENT BANK BERHAD

(Company No: 20657-W)

(Incorporated in Malaysia)

Unaudited Consolidated Statement of Cash Flows
For the second quarter ended 31 December 2024

	Current Financial 2nd Quarter 31.12.2024 <u>RM '000</u>	Previous Financial Year Ended 30.6.2024 <u>RM '000</u>
Cash flows from operating activities		
Profit before taxation and zakat from continuing operations	13,472	89,157
Profit before taxation and zakat from discontinued operations	-	86,815
Adjustments for:		
Amortisation of premium less accretion of discount	1,535	(4,200)
Depreciation of property and equipment	2,699	4,853
Depreciation of right-of-use asset	2,627	4,775
Credit loss expense on corporate loan	(1,280)	148
Gain on sale of property	-	(889)
Gain on sale of KAF Equities	-	(86,028)
Gain on sale of investment property	(4,756)	-
Finance Cost	369	932
Dividend from investment	(20)	(40)
Interest income	(112)	(279)
Fair value through profit or loss financial assets		
- Net realised gain	(4,948)	(14,936)
- Interest income	(13,235)	(24,159)
- Dividend income	(985)	(828)
Fair value through other comprehensive income financial assets		
- Net realised (gain)/loss	(1,156)	(56,287)
- Interest income	(66,946)	(134,070)
- Dividend income	(26,433)	(34,511)
- Credit loss expense on financial asset	(2,726)	2,558
Financial assets at amortised cost		
- Interest income	(23,906)	(46,872)
- Dividend income	(8,607)	(15,369)
Unrealised loss/(gain):		
- Fair value through profit or loss financial assets	(2,869)	1,351
- Fair value of derivative	3,221	(1,096)
- Foreign exchange	(8,291)	(1,629)
Operating profit/(loss) before working capital changes	<u>(142,347)</u>	<u>(230,604)</u>
(Increase)/Decrease in operating assets		
Statutory deposits with Bank Negara Malaysia	(54,000)	(4,000)
Restricted cash	25,992	(31,630)
Cash and short-term funds with the original maturity of more than three months	1,253,858	(1,553,989)
Corporate loan	7,168	6,462
Fair value through profit or loss financial assets		
- Purchase	(1,387,509)	(3,334,865)
- Proceeds from disposal	899,911	3,257,888
- Interest received	6,994	23,014
- Dividend received	56	74
Other receivables and prepayments	(36,649)	(40,149)
Increase/(Decrease) in operating liabilities		
Deposits from customers	(688,800)	942,938

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KAF INVESTMENT BANK BERHAD

(Company No: 20657-W)

(Incorporated in Malaysia)

Unaudited Consolidated Statement of Cash Flows (continued)**For the second quarter ended 31 December 2024**

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
Deposits and placements of banks and other financial institutions	859,684	(443,952)
Other liabilities	(1,713)	66,122
Derivative liabilities	(2,126)	375
Net cash generated from/(used in) operating activities before income taxes and zakat paid	740,519	(1,342,316)
Interest received	114	259
Net tax paid	(10,192)	(32,036)
Zakat paid	(863)	(2,051)
Net cash (used in)/generated from operating activities	729,578	(1,376,144)
Cash flows from investing activities		
Fair value through other comprehensive income financial assets		
- Purchase	(814,864)	(2,452,139)
- Proceeds from disposal	323,566	2,089,228
- Interest received	61,443	135,273
- Dividend received	28,283	26,211
Fair value through profit or loss financial assets		
- Purchase	(22,346)	(58,247)
- Proceeds from disposal	25,116	58,617
Financial assets at amortised cost		
- Purchase	-	(512,034)
- Interest received	23,767	46,878
- Dividend received	8,571	13,180
Investment in associates		
- Unrealised net increase in net investment in associates	-	(255)
Corporate loan		
- Interest received	874	2,168
Sale of investment in subsidiaries - KAF Equities	-	140,796
Purchase of property and equipment	(1,308)	(9,075)
Purchase of investment building	-	(4,756)
Sale of property	-	17,550
Dividend from investment	20	40
Net cash used in investing activities	(366,878)	(506,565)
Cash flows from financing activities		
Dividends paid	(20,085)	(120,000)
Payment for lease liability	(2,415)	(4,361)
Net cash used in financing activities	(22,500)	(124,361)
Effect of exchange rate differences	(925)	(1,447)
Net increase/(decrease) in cash and cash equivalents	339,275	(2,008,517)
Cash and cash equivalents at the beginning of the year	447,043	2,455,560
Cash and cash equivalents at the end of the year	786,318	447,043
Analysis of cash and cash equivalents		
Cash and short-term funds (Notes 7(a))	786,318	447,043

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(Incorporated in Malaysia)

Unaudited Statement of Cash Flows**For the second quarter ended 31 December 2024**

	Current Financial 2nd Quarter 31.12.2024 <u>RM '000</u>	Previous Financial Year Ended 30.6.2024 <u>RM '000</u>
Cash flows from operating activities		
Profit before taxation	22,061	106,790
Adjustments for:		
Amortisation of premium less accretion of discount	1,535	(4,200)
Depreciation of property and equipment	2,356	4,349
Depreciation of right-of-use asset	1,645	3,254
Credit loss expense on corporate loan	(1,280)	148
Gain on sale of property	-	(889)
Finance cost	313	660
Dividend from investment	(20)	(1,782)
Financial assets at fair value through profit or loss		
- Net realised gain	(1,079)	(8,419)
- Interest income	(13,235)	(24,159)
- Dividend income	(234)	(74)
Financial assets at fair value through other comprehensive income		
- Net realised (gain)/loss	(1,156)	(56,287)
- Interest income	(66,946)	(134,070)
- Dividend income	(26,434)	(34,511)
- Credit loss expense on financial asset	(2,726)	2,558
Financial assets at amortised cost		
- Interest income	(23,906)	(46,872)
- Dividend income	(8,607)	(15,369)
Impairment of subsidiaries	-	3,179
Unrealised loss/(gain):		
- Fair value through profit or loss financial assets	(5,542)	403
- Fair value of derivative	3,221	(1,096)
- Foreign exchange	(8,269)	(460)
Operating profit/(loss) before working capital changes	<u>(128,303)</u>	<u>(206,847)</u>
(Increase)/Decrease in operating assets		
Statutory deposits with Bank Negara Malaysia	(54,000)	(4,000)
Cash and short-term funds with the original maturity of more than three months	1,252,417	(1,552,448)
Loans, advances and financing	7,168	6,462
Fair value through profit or loss financial assets		
- Purchase	(1,389,544)	(3,332,808)
- Proceeds from disposal	899,911	3,257,888
- Interest received	6,994	23,014
- Dividend received	56	74
Other receivables and prepayments	(26,274)	(35,226)
Increase/(Decrease) in operating liabilities		
Deposits from customers	(482,462)	961,515
Deposits and placements of banks and other financial institutions	859,684	(443,952)

This unaudited Interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024.

KAF INVESTMENT BANK BERHAD

(Company No: 20657-W)

(Incorporated in Malaysia)

Unaudited Statement of Cash Flows (continued)**For the second quarter ended 31 December 2024**

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
Other liabilities	(1,416)	(10,092)
Derivative liabilities	(2,126)	375
Net cash (used in)/generated from operating activities before income taxes and zakat paid	942,105	(1,336,045)
Net tax paid	(9,877)	(32,307)
Zakat paid	(863)	(2,051)
Net cash generated from/(used in) operating activities	931,365	(1,370,403)
Cash flows from investing activities		
Financial assets at fair value through other comprehensive income		
- Purchase	(814,864)	(2,452,092)
- Proceeds from disposal	323,566	2,089,294
- Interest received	61,444	135,273
- Dividend received	28,283	26,211
Financial assets at amortised cost		
- Purchase	-	(512,034)
- Interest received	23,767	46,878
- Dividend received	8,571	13,180
Corporate loan		
- Interest received	874	2,298
Purchase of property and equipment	(826)	(7,904)
Sale of property	-	17,550
Acquisition of a subsidiary	(200,000)	(27,770)
Dividend from investment	20	160,040
Net cash used in investing activities	(569,165)	(509,076)
Cash flows from financing activities		
Dividend paid	(20,085)	(120,000)
Payment for lease liability	(1,714)	(2,894)
Net cash used in financing activities	(21,799)	(122,894)
Effect of exchange rate differences	(1,119)	19
Net (decrease)/increase in cash and cash equivalents	339,282	(2,002,354)
Cash and cash equivalents at the beginning of year	434,198	2,436,552
Cash and cash equivalents at the end of the year	773,480	434,198
Analysis of cash and cash equivalents		
Cash and short-term funds (Notes 7(a))	773,480	434,198

This unaudited Interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024.

KAF INVESTMENT BANK BERHAD

(Company No: 20657-W)

(Incorporated in Malaysia)

Notes to the Unaudited Interim Financial Statements

KAF Investment Bank Berhad is a limited liability company, incorporated and domiciled in Malaysia. The address of its registered office and principal place of business is as follows:

Registered office/Principal place of business

Level 13A, Menara IQ

Lingkaran TRX, Tun Razak Exchange

55188 Kuala Lumpur

1. Basis of preparation

The interim financial statements are unaudited and has been prepared in compliance with Malaysian Financial Reporting Standard ('MFRS') 134, 'Interim Financial Reporting' issued by Malaysia Accounting Standards Board ('MASB') and should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 30 June 2024.

2. Significant accounting policies

The significant accounting policies adopted in preparing these unaudited interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2024.

3. Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect for the period ended 30 June 2024.

4. Auditors' Report On Preceeding Annual Financial Statements

The audit report for the financial year ended 30 June 2024 was not subject to any qualification.

5. Seasonal or cyclical factors

The business operations of the Group and the Bank are not subject to any material seasonal or cyclical fluctuations.

6. Significant Events

There were no material events subsequent to the balance sheet date that requires disclosure or adjustments to the unaudited condensed interim financial statements.

KAF INVESTMENT BANK BERHAD

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Notes to the Unaudited Interim Financial Statements (continued)**7. Cash and short terms funds**

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
(a) <u>The Group</u>		
Cash and banks balances with banks and other financial institutions	35,168	19,098
Deposits and placements with financial institutions, with original maturity of less than three months	751,150	428,167
	<u>786,318</u>	<u>447,265</u>
Expected credit losses	-	(222)
Cash and cash equivalents	<u>786,318</u>	<u>447,043</u>
<u>The Bank</u>		
Cash and banks balances with banks and other financial institutions	22,402	6,323
Deposits and placements with financial institutions, with original maturity of less than three months	751,078	428,097
	<u>773,480</u>	<u>434,420</u>
Expected credit losses	-	(222)
Cash and cash equivalents	<u>773,480</u>	<u>434,198</u>
(b) <u>The Group</u>		
Deposits and placement with financial institutions, with original maturity of more than three months	301,262	1,554,899
Expected credit losses	-	(910)
	<u>301,262</u>	<u>1,553,989</u>
Restricted cash	5,638	31,630
	<u>306,900</u>	<u>1,585,619</u>
Total cash and short term funds	<u>1,093,218</u>	<u>2,032,662</u>
<u>The Bank</u>		
Deposits and placement with financial institutions, with original maturity of more than three months	301,162	1,553,358
Expected credit losses	-	(910)
	<u>301,162</u>	<u>1,552,448</u>
Total cash and short term funds	<u>1,074,642</u>	<u>1,986,646</u>

KAF INVESTMENT BANK BERHAD

(Company No: 20657-W)

(Incorporated in Malaysia)

Notes to the Unaudited Interim Financial Statements (continued)**8. Financial assets at fair value through profit or loss**

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
<u>The Group</u>		
At fair value:		
Money market instruments in Malaysia:		
Malaysian Government securities	524,328	226,206
Malaysian Government investment issues	264,927	134,409
	789,255	360,615
Unquoted securities in Malaysia:		
Private and Islamic debts securities	109,106	35,287
Convertible bond	7,322	7,109
Quoted securities in Malaysia:		
Shares	28,534	28,197
Unit trust	60,218	64,534
	994,435	495,742
 <u>The Bank</u>		
At fair value:		
Money market instruments in Malaysia:		
Malaysian Government securities	524,329	226,773
Malaysian Government investment issues	264,927	133,842
	789,256	360,615
Unquoted securities in Malaysia:		
Private and Islamic debts securities	109,105	35,287
Convertible bond	7,322	7,109
	116,427	42,396
	905,683	403,011

KAF INVESTMENT BANK BERHAD

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Notes to the Unaudited Interim Financial Statements (continued)

9. Financial assets at fair value through other comprehensive income

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
<u>The Group</u>		
At fair value:		
Money market instruments in Malaysia:		
Cagamas RMBS	5,169	5,194
Malaysian Government investment issues	1,737,786	1,946,812
Malaysian Government securities	1,619,583	909,475
Corporate notes	64,339	-
	<u>3,426,877</u>	<u>2,861,481</u>
Unquoted securities in Malaysia:		
Private and Islamic debts securities	1,111,727	1,171,475
Shares	5,446	5,446
	<u>1,117,173</u>	<u>1,176,921</u>
	<u>4,544,050</u>	<u>4,038,402</u>
<u>The Bank</u>		
At fair value:		
Money market instruments in Malaysia:		
Cagamas RMBS	5,169	5,194
Malaysian Government investment issues	1,737,786	1,946,812
Malaysian Government securities	1,619,583	909,475
Corporate notes	64,339	-
	<u>3,426,877</u>	<u>2,861,481</u>
Unquoted securities in Malaysia:		
Private and Islamic debts securities	1,111,727	1,171,475
Shares	5,446	5,446
	<u>1,117,173</u>	<u>1,176,921</u>
	<u>4,544,050</u>	<u>4,038,402</u>

KAF INVESTMENT BANK BERHAD

(Company No: 20657-W)

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Notes to the Unaudited Interim Financial Statements (continued)**10. Financial assets at amortised cost**

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
<u>The Group</u>		
At fair value:		
Money market instruments in Malaysia:		
Malaysian Government securities	575,115	575,577
Malaysian Government investment issues	854,711	855,325
	<u>1,429,826</u>	<u>1,430,902</u>
<u>The Bank</u>		
At fair value:		
Money market instruments in Malaysia:		
Malaysian Government securities	575,115	575,577
Malaysian Government investment issues	854,711	855,325
	<u>1,429,826</u>	<u>1,430,902</u>

11. Corporate loan

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
<u>The Group</u>		
(i) By type		
Loans/financing	<u>17,187</u>	<u>25,080</u>
(ii) By type of customer		
Corporate	17,124	25,080
Individual	<u>63</u>	<u>-</u>
(iii) By interest/profit rate sensitivity		
Floating rate	17,124	25,080
Fixed rate	<u>63</u>	<u>-</u>
(iv) By sector		
Financial, insurance and other services	17,124	25,080
Household sector	<u>63</u>	<u>-</u>
<u>The Bank</u>		
(i) By type		
Loans/financing	<u>17,187</u>	<u>25,080</u>
(ii) By type of customer		
Corporate	17,124	25,080
Individual	<u>63</u>	<u>-</u>
(iii) By interest/profit rate sensitivity		
Floating rate	17,124	25,080
Fixed rate	<u>63</u>	<u>-</u>
(iv) By sector		
Financial, insurance and other services	17,124	25,080
Household sector	<u>63</u>	<u>-</u>

KAF INVESTMENT BANK BERHAD

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Notes to the Unaudited Interim Financial Statements (continued)**12. Receivables, deposits and prepayments**

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
<u>The Group</u>		
<u>Trade</u>		
Trade receivables	17,074	18,103
<u>Non-trade</u>		
Other receivables	12,447	18,262
Deposits and prepayments	13,598	4,648
	26,045	22,910
	43,119	41,013
<u>The Bank</u>		
<u>Trade</u>		
Trade receivables	1,975	4,211
<u>Non-trade</u>		
Other receivables	3,370	5,713
Deposits and prepayments	1,789	2,628
	5,159	8,341
	7,134	12,552

13. Intangible asset

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
<u>The Group</u>		
Merchant bank license	52,500	52,500
Goodwill	6,222	6,937
Computer software	1,009	-
Rights to manage unit trust fund	-	218
	59,731	59,655
<u>The Bank</u>		
Merchant bank license	52,500	52,500

KAF INVESTMENT BANK BERHAD

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Notes to the Unaudited Interim Financial Statements (continued)**14. Deposit from customers**

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
<u>The Group</u>		
(i) By type of deposit		
Fixed deposits	3,488,349	4,056,370
Qard deposits	73,475	1,387,588
Commodity Murabahah	1,565,720	372,384
	<u>5,127,544</u>	<u>5,816,342</u>
(ii) By type of customers		
Government and statutory bodies	2,410,251	2,851,139
Business enterprise	960,968	934,129
Domestic Non-Bank Financial Institutions	1,450,049	1,779,885
Individuals	306,276	251,189
	<u>5,127,544</u>	<u>5,816,342</u>
(iii) The maturity structure of term deposits		
Due within three months	5,120,852	5,809,294
Three months to one year	6,692	7,048
	<u>5,127,544</u>	<u>5,816,342</u>
<u>The Bank</u>		
(i) By type of deposit		
Fixed deposits	3,732,885	4,094,571
Qard deposits	73,475	1,387,588
Commodity Murabahah	1,565,720	372,384
	<u>5,372,080</u>	<u>5,854,543</u>
(ii) By type of customers		
Government and statutory bodies	2,410,251	2,851,139
Business enterprise	1,164,093	936,136
Non-Bank Financial Institutions	1,491,460	1,816,079
Individuals	306,276	251,189
	<u>5,372,080</u>	<u>5,854,543</u>
(iii) The maturity structure of term deposits		
Due within three months	5,365,388	5,847,495
Three months to one year	6,692	7,048
	<u>5,372,080</u>	<u>5,854,543</u>

KAF INVESTMENT BANK BERHAD

(Company No: 20657-W)

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Notes to the Unaudited Interim Financial Statements (continued)**15. Deposits and placements of banks and other financial institutions**

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
<u>The Group</u>		
Bank Negara Malaysia	1,640,073	460,823
Licensed banks	296,125	625,080
	<u>1,936,198</u>	<u>1,085,903</u>
<u>The Bank</u>		
Bank Negara Malaysia	1,640,073	460,823
Licensed banks	296,125	625,080
	<u>1,936,198</u>	<u>1,085,903</u>

16. Other liabilities

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
<u>The Group</u>		
<u>Trade</u>		
Balance due to clients and brokers	17,613	43,098
<u>Non-trade</u>		
Other payables and accruals	18,262	31,451
	<u>35,875</u>	<u>74,549</u>
<u>The Bank</u>		
Other payables and accruals	12,345	10,540
	<u>12,345</u>	<u>10,540</u>

KAF INVESTMENT BANK BERHAD

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Notes to the Unaudited Interim Financial Statements (continued)**17. Interest Income**

	Individual Quarter		Cumulative Quarter		Previous
	Current	Previous	Current	Previous	Financial
	Financial	Financial	Financial	Financial	Financial
	2nd Quarter	2nd Quarter	Year-to-date	Year-to-date	Year-to-date
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	30.6.2024
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
<u>The Group</u>					
Fair value through other comprehensive income financial assets	34,731	39,174	65,568	80,426	141,104
Financial assets at amortised cost	11,987	11,140	23,906	22,396	46,872
Money at call and deposits and placements with banks and other financial institutions	13,863	10,338	27,260	22,546	58,733
Loans, advances and financing	342	564	784	1,191	2,308
Fair value through profit or loss financial assets	9,305	9,912	13,235	16,871	24,159
	70,228	71,128	130,753	143,430	273,176

The Bank

Fair value through other comprehensive income financial assets	34,732	39,174	65,568	80,426	141,104
Financial assets at amortised cost	11,987	11,140	23,906	22,396	46,872
Money at call and deposits and placements with banks and other financial institutions	13,805	10,265	27,135	22,383	58,432
Loans, advances and financing	341	620	783	1,300	2,308
Fair value through profit or loss financial assets	9,305	9,912	13,235	16,871	24,159
	70,170	71,111	130,627	143,376	272,875

KAF INVESTMENT BANK BERHAD

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Notes to the Unaudited Interim Financial Statements (continued)**18. Interest Expenses**

	Individual Quarter		Cumulative Quarter		Previous
	Current	Previous	Current	Previous	Financial
	Financial	Financial	Financial	Financial	Financial
	2nd Quarter	2nd Quarter	Year-to-date	Year-to-date	Year-to-date
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	30.6.2024
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
<u>The Group</u>					
Deposits and placements of banks and other financial institutions	10,293	6,191	18,049	11,744	24,785
Deposit from customers	33,259	35,527	65,569	66,703	140,322
Interest on Repo Margin	11,577	15,391	17,895	25,668	39,088
Others	25	8	60	15	25
	55,154	57,117	101,573	104,130	204,220

The Bank

Deposits and placements of banks and other financial institutions	10,293	6,191	18,049	11,744	24,785
Deposit from customers	34,720	36,353	67,364	68,244	141,361
Interest on Repo Margin	11,577	15,391	17,895	25,668	39,088
	56,590	57,935	103,308	105,656	205,234

KAF INVESTMENT BANK BERHAD

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Notes to the Unaudited Interim Financial Statements (continued)

19. Other Operating Income

	Individual Quarter		Cumulative Quarter		Previous
	Current	Previous	Current	Previous	Financial
	Financial	Financial	Financial	Financial	Financial
	2nd Quarter	2nd Quarter	Year-to-date	Year-to-date	Year-to-date
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	30.6.2024
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
<u>The Group</u>					
<u>Fees income</u>					
Agency fees	1,084	5,744	1,084	5,744	6,321
Underwriting fees	619	1,465	1,199	1,465	1,822
Corporate advisory fees	1,675	3,260	6,289	3,980	8,665
Commitment fees	-	-	-	-	4
Management fees	11,047	6,194	26,057	11,554	33,638
	<u>14,425</u>	<u>16,663</u>	<u>34,629</u>	<u>22,743</u>	<u>50,450</u>
<u>Net income from securities</u>					
Net realised gain/(loss) from FVTPL financial assets	837	4,172	4,033	6,299	16,022
Net realised gain from FVOCI financial assets	577	4,914	497	(607)	41,786
Net unrealised fair value gain/(loss) on FVTPL financial assets	(1,649)	7,158	(8,435)	552	(570)
	<u>(235)</u>	<u>16,244</u>	<u>(3,905)</u>	<u>6,244</u>	<u>57,238</u>
<u>Other income</u>					
Realised gain on disposal of investment in associate	-	-	-	-	1,798
Net realised gain on foreign currency exchange	(100)	117	(1,851)	101	516
Net realised loss on trading of derivatives	19	157	116	(193)	(57)
Net unrealised gain/(loss) on foreign currency exchange	(14,420)	2,652	8,269	1,789	460
Net unrealised gain/(loss) on fair value of derivatives	7,864	1,616	3,221	600	(1,096)
Dividend income	-	-	20	40	40
Distribution income	50	76	753	158	761
Brokerage earned	315	139	603	319	748
Gain on sales of property and equipment	-	-	-	-	889
Gain on sales of investment in subsidiaries	-	-	4,756	-	-
Others	402	16,309	1,255	16,583	2,141
	<u>(5,870)</u>	<u>21,066</u>	<u>17,142</u>	<u>19,397</u>	<u>6,200</u>
	<u>8,320</u>	<u>53,973</u>	<u>47,866</u>	<u>48,384</u>	<u>113,888</u>

KAF INVESTMENT BANK BERHAD

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Notes to the Unaudited Interim Financial Statements (continued)**19. Other Operating Income (continued)**

	Individual Quarter		Cumulative Quarter		Previous
	Current	Previous	Current	Previous	Financial
	Financial	Financial	Financial	Financial	Financial
	2nd Quarter	2nd Quarter	Year-to-date	Year-to-date	Year-to-date
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	30.6.2024
<u>The Bank</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
<u>Fees income</u>					
Agency fees	1,084	5,744	1,084	5,744	6,321
Underwriting fees	619	1,465	1,199	1,465	1,822
Corporate advisory fees	1,675	3,260	6,289	3,980	8,664
Commitment fees	-	1	-	3	4
	<u>3,378</u>	<u>10,470</u>	<u>8,572</u>	<u>11,192</u>	<u>16,811</u>
<u>Net income from securities</u>					
Net gain/(loss) from FVTPL					
financial assets	488	4,160	693	5,429	8,324
Net gain from FVOCI					
financial assets	577	4,914	497	(607)	41,786
Net unrealised gain/(loss) on revaluation					
of FVTPL financial assets	(4,450)	6,574	(5,760)	257	403
	<u>(3,385)</u>	<u>15,648</u>	<u>(4,570)</u>	<u>5,079</u>	<u>50,513</u>
<u>Other income</u>					
Net realised gain/(loss) on					
foreign currency	(61)	117	(1,812)	101	515
Net realised gain/(loss) on trading					
of derivatives	19	157	116	(193)	(57)
Net unrealised gain/(loss) on					
foreign currency	(14,420)	2,652	8,269	1,789	460
Net unrealised gain/(loss) on fair value					
of derivatives	7,864	1,616	3,221	600	(1,096)
Dividend income	-	-	20	40	1,782
Gain on sales of property and equipment	-	-	-	-	889
Others	127	16,358	1,121	16,421	1,852
	<u>(6,471)</u>	<u>20,900</u>	<u>10,935</u>	<u>18,758</u>	<u>4,345</u>
	<u>(6,478)</u>	<u>47,018</u>	<u>14,937</u>	<u>35,029</u>	<u>71,669</u>

KAF INVESTMENT BANK BERHAD

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(Incorporated in Malaysia)

Notes to the Unaudited Interim Financial Statements (continued)**20. Other Operating Expenses**

	Individual Quarter		Cumulative Quarter		Previous
	Current	Previous	Current	Previous	Financial
	Financial	Financial	Financial	Financial	Financial
	2nd Quarter	2nd Quarter	Year-to-date	Year-to-date	Year-to-date
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	30.6.2024
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
<u>The Group</u>					
<u>Establishment related expenses</u>					
Rental of premises	12	12	24	22	46
Equipment rental	372	417	765	783	1,523
Depreciation of property, plant and equipment	1,360	1,227	2,699	2,327	4,899
Depreciation right of use assets	1,313	1,361	2,627	2,648	4,775
Repair and maintenance	806	411	1,395	811	1,963
Fixed asset written off	(12)	-	-	-	16
Others	130	63	254	149	354
	<u>3,981</u>	<u>3,491</u>	<u>7,764</u>	<u>6,740</u>	<u>13,576</u>
<u>Promotion and marketing related expenses</u>					
Advertising, travelling and entertainment	104	110	227	192	427
Brokerages fees	145	142	268	308	659
Others	16	3,064	38	3,154	3,322
	<u>265</u>	<u>3,316</u>	<u>533</u>	<u>3,654</u>	<u>4,408</u>
<u>General administrative expenses</u>					
Auditors' remuneration	42	52	42	52	703
Maintenance expenses	4,619	567	9,694	4,298	11,434
Printing and stationeries	130	126	212	189	424
Professional fees	6,296	4,505	7,765	6,001	12,151
Bank charges	216	223	421	409	872
Commission	3,089	1,277	11,018	2,293	13,066
Management fees	326	230	492	393	494
Subscription fee	4,430	5,934	6,875	7,549	13,555
Interest on lease	144	257	369	526	932
Others	571	525	1,781	1,478	3,386
	<u>19,863</u>	<u>13,696</u>	<u>38,669</u>	<u>23,188</u>	<u>57,017</u>
<u>Personnel expenses</u>					
Salaries, bonus, allowances and overtime	16,387	10,622	26,928	20,880	40,224
Directors' fees, salaries and allowances	6	6	12	12	772
EPF and SOCSO	1,977	1,230	3,291	2,423	4,544
Others	2,578	617	3,825	1,165	4,584
	<u>20,948</u>	<u>12,475</u>	<u>34,056</u>	<u>24,480</u>	<u>50,124</u>
	<u>45,057</u>	<u>32,978</u>	<u>81,022</u>	<u>58,062</u>	<u>125,125</u>

KAF INVESTMENT BANK BERHAD

(Company No: 20657-W)

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Notes to the Unaudited Interim Financial Statements (continued)**20. Other Operating Expenses (continued)**

	Individual Quarter Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial 2nd Quarter 31.12.2023 RM '000	Cumulative Quarter Current Financial Year-to-date 31.12.2024 RM '000	Previous Financial Year-to-date 31.12.2023 RM '000	Previous Financial Year-to-date 30.6.2024 RM '000
<u>The Bank</u>					
<u>Establishment related expenses</u>					
Equipment rental	372	415	764	780	1,517
Depreciation of property, plant and equipment	1,184	1,096	2,356	2,072	4,349
Depreciation right of use assets	822	1,084	1,645	2,093	3,254
Repair and maintenance	242	39	343	52	233
Others	131	91	254	150	354
	<u>2,751</u>	<u>2,725</u>	<u>5,362</u>	<u>5,147</u>	<u>9,707</u>
<u>Promotion and marketing related expenses</u>					
Advertising, travelling and entertainment	85	67	175	129	292
Brokerages fees	145	142	268	308	659
Others	12	3,055	21	3,137	3,157
	<u>242</u>	<u>3,264</u>	<u>464</u>	<u>3,574</u>	<u>4,108</u>
<u>General administrative expenses</u>					
Auditors' remuneration	33	49	33	49	418
Maintenance expenses	1,244	321	2,227	1,063	2,549
Printing and stationeries	101	95	161	129	280
Professional fees	536	218	729	589	4,598
Bank charges	211	221	412	404	856
Subscription fee	149	177	273	274	957
Interest expense on lease	152	196	313	405	660
Impairment in investment in subsidiaries	-	-	-	-	3,179
Others	208	142	673	586	1,749
	<u>2,634</u>	<u>1,419</u>	<u>4,821</u>	<u>3,499</u>	<u>15,246</u>
<u>Personnel expenses</u>					
Salaries, bonus, allowances and overtime	13,793	7,753	22,257	15,350	28,243
Directors' fees, salaries and allowances	-	-	-	-	470
EPF and SOCSO	1,713	976	2,784	1,931	3,581
Others	1,529	576	1,955	1,096	2,348
	<u>17,035</u>	<u>9,305</u>	<u>26,996</u>	<u>18,377</u>	<u>34,642</u>
	<u>22,662</u>	<u>16,713</u>	<u>37,643</u>	<u>30,597</u>	<u>63,703</u>

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21. Discontinuing Operations

	Current Financial Current Quarter 31.12.2023 RM '000	Previous Financial Year-to-date 30.6.2024 RM '000
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The net cash inflow arising from the disposal is as follows:

Net assets disposed	-	58,672
Gain on disposal of subsidiaries	-	86,028
Sales consideration	-	144,700
Less : Deferred consideration	-	(3,904)
Net cash inflow on disposal of subsidiaries	-	140,796

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Notes to the Unaudited Interim Financial Statements (continued)

22. Commitment and contingencies

	Current Financial			Previous Financial		
	2nd Quarter			Year Ended		
	31.12.2024			30.6.2024		
		Credit	Risk		Credit	Risk
	Principal amount	equivalent amount	weighted amount	Principal amount	equivalent amount	weighted amount
<u>The Group / The Bank</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Transaction related contingent items	2,909	1,455	1,455	3,068	1,534	1,534
Underwriting obligations	2,918	1,459	1,459	3,422	1,711	1,711
Foreign exchange related contracts	195,708	2,612	522	70,065	474	95
	<u>201,535</u>	<u>5,526</u>	<u>3,436</u>	<u>76,555</u>	<u>3,719</u>	<u>3,340</u>

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Notes to the Unaudited Interim Financial Statements (continued)

23. Capital adequacy

The capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's revised Risk Weighted Capital Adequacy Framework (RWCAF-Basel II) and Capital Adequacy Framework (Capital Component). The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

	Credit Risk	Market Risk	Operational Risk
Approach	Standardised Approach	Standardised Approach	Basic Indicator Approach

i) The capital adequacy ratios of the Group and the Bank is as follows:

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
<u>The Group</u>		
<u>Common Equity Tier 1 Capital</u>		
Paid-up share capital	80,000	80,000
Regulatory reserve	19,504	24,803
FVOCI reserve	6,683	1,942
Other reserve	1,426	1,426
Merger reserve	421	421
Currency reserve	3,782	3,795
SPI working funds	105,000	105,000
Retained profits	1,095,015	1,134,603
Regulatory adjustments applied in the calculation of CET1 Capital	(82,834)	(85,525)
Common Equity Tier 1 Capital	<u>1,228,997</u>	<u>1,266,465</u>
<u>Tier 2 Capital</u>		
General provision	5,877	8,356
Total Tier 2 Capital	<u>5,877</u>	<u>8,356</u>
Total Capital	<u>1,234,874</u>	<u>1,274,821</u>
Total risk-weighted assets	<u>1,558,899</u>	<u>1,446,804</u>
Common Equity Tier 1 Capital	78.838%	87.535%
Tier 1 Capital	78.838%	87.535%
Total Capital	79.214%	88.113%

KAF INVESTMENT BANK BERHAD

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Notes to the Unaudited Interim Financial Statements (continued)**23. Capital adequacy (continued)**

- i) The capital adequacy ratios of the Group and the Bank is as follows (continued):

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
<u>The Bank</u>		
<u>Common Equity Tier 1 Capital</u>		
Paid-up share capital	80,000	80,000
Regulatory reserve	19,504	24,803
FVOCI reserve	8,365	3,666
SPI working funds	105,000	105,000
Retained profits	1,091,217	1,130,805
Regulatory adjustments applied in the calculation of CET1 Capital	(466,358)	(269,072)
Common Equity Tier 1 Capital / Tier 1 Capital	<u>837,728</u>	<u>1,075,202</u>
<u>Tier 2 Capital</u>		
General provisions	5,763	8,168
Total Tier II capital	<u>5,763</u>	<u>8,168</u>
Total Capital	<u>843,491</u>	<u>1,083,370</u>
Total risk-weighted assets	<u>1,250,958</u>	<u>1,138,215</u>
Common Equity Tier 1 Capital	66.967%	94.464%
Tier 1 Capital	66.967%	94.464%
Total Capital	67.428%	95.181%

- ii) Breakdown of gross risk weighted assets in various categories of risk weights are as follows:

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
<u>The Group</u>		
Credit risk	470,189	668,504
Market risk	744,176	442,784
Operational risk	344,534	335,516
Total risk weighted assets	<u>1,558,899</u>	<u>1,446,804</u>
<u>The Bank</u>		
Credit risk	461,057	653,473
Market risk	578,902	273,877
Operational risk	210,999	210,865
Total risk weighted assets	<u>1,250,958</u>	<u>1,138,215</u>

KAF INVESTMENT BANK BERHAD

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Notes to the Unaudited Interim Financial Statements (continued)**24. Operation of Islamic Banking (Skim Perbankan Islam (SPI))****Statement of Financial Position****As at 31 December 2024**

		Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
	Note		
ASSETS			
Cash and short term funds	a	400,190	400,085
Statutory deposits with Bank Negara Malaysia		38,000	20,000
Financial assets at fair value through profit or loss	b	20,258	-
Financial assets at fair value through other comprehensive income	c	1,162,033	1,258,622
Financial assets at amortised cost	d	373,736	374,189
Other receivables		1	1
TOTAL ASSETS		1,994,218	2,052,897
LIABILITIES			
Deposit from customers	e	1,639,195	1,759,972
Deposit from placements of banks and other financial institutions	f	55,027	-
Other liabilities	g	3,067	8,599
Provision for zakat		388	863
Deferred tax liabilities		3,876	3,189
Total liabilities		1,701,553	1,772,623
ISLAMIC BANKING CAPITAL FUNDS			
Islamic banking funds		105,000	105,000
Reserves		187,665	175,274
Total islamic banking capital funds		292,665	280,274
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		1,994,218	2,052,897

KAF INVESTMENT BANK BERHAD

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Notes to the Unaudited Interim Financial Statements (continued)

24. Operation of Islamic Banking (Skim Perbankan Islam (SPI)) (continued)

Statement of Comprehensive Income

For the second quarter ended 31 December 2024

		Individual Quarter		Cumulative Quarter		
		Current	Previous	Current	Previous	Previous
		Financial	Financial	Financial	Financial	Financial
		2nd Quarter	2nd Quarter	Year-to-date	Year-to-date	Year-to-date
		31.12.2024	31.12.2023	31.12.2024	31.12.2023	30.6.2024
	Note	RM '000	RM '000	RM '000	RM '000	RM '000
Income derived from investment of depositors' funds and others	h	24,634	23,452	47,097	44,437	88,933
Less : Income attributable to depositors	i	(17,560)	(14,907)	(33,534)	(26,051)	(53,673)
Net income		7,074	8,545	13,563	18,386	35,260
Other operating expenses	j	(59)	(60)	(120)	(118)	(239)
Income from operations		7,015	8,485	13,443	18,268	35,021
Allowance for credit impairment loss		-	(286)	1,601	(1,652)	(1,543)
Income before taxation and zakat		7,015	8,199	15,044	16,616	33,478
Tax expense		(1,476)	(1,544)	(3,019)	(3,892)	(7,913)
Zakat		(181)	(212)	(388)	(429)	(863)
Net profit for the financial year		5,358	6,443	11,637	12,295	24,702
Other comprehensive income:						
Available-for-sale financial assets						
- Net unrealised gain/(loss) on revaluation		(4,397)	13,249	(879)	9,221	4,035
- Income tax relating to net fair value changes		1,055	(3,180)	211	(2,213)	(968)
- Expected credit loss		-	(207)	1,422	(1,273)	(1,364)
Other comprehensive income for the financial year, net of tax		(3,342)	9,862	754	5,735	1,703
Total comprehensive income for the financial year		2,016	16,305	12,391	18,030	26,405

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Notes to the Unaudited Interim Financial Statements (continued)**24. Operation of Islamic Banking (Skim Perbankan Islam (SPI)) (continued)****Statements of Changes in Equity****For the second quarter ended 31 December 2024**

	<u>Non-distributable</u>			<u>Distributable</u>	
	Islamic Banking Fund	Regulatory reserve	FVOCI reserve	Retained Earnings	Total
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
Balance as at 1 July 2024	105,000	6,548	11,521	157,205	280,274
Comprehensive income:					
Net profit for the financial period	-	-	-	11,637	11,637
Other comprehensive income:					
Financial assets at FVOCI					
- Net unrealised fair value gain	-	-	(879)	-	(879)
- Income tax relating to net fair value changes	-	-	211	-	211
- Expected credit loss	-	-	1,422	-	1,422
Regulatory reserve	-	1,849	-	(1,849)	-
Total comprehensive income for the financial year	-	1,849	754	9,788	12,391
As at 31 December 2024	105,000	8,397	12,275	166,993	292,665

	<u>Non-distributable</u>			<u>Distributable</u>	
	Islamic Banking Fund	Regulatory reserve	FVOCI reserve	Retained Earnings	Total
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
Balance as at 1 July 2023	105,000	2,824	9,818	186,227	303,869
Comprehensive income:					
Net profit for the financial year	-	-	-	24,702	24,702
Other comprehensive income:					
Financial assets at FVOCI					
- Net unrealised fair value gain	-	-	4,035	-	4,035
- Income tax relating to net fair value changes	-	-	(968)	-	(968)
- Expected credit loss	-	-	(1,364)	-	(1,364)
Regulatory reserve	-	3,724	-	(3,724)	-
Total comprehensive income for the financial year	-	3,724	1,703	20,978	26,405
Dividend paid	-	-	-	(50,000)	(50,000)
As at 30 June 2024	105,000	6,548	11,521	157,205	280,274

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Notes to the Unaudited Interim Financial Statements (continued)**24. Operation of Islamic Banking (Skim Perbankan Islam (SPI)) (continued)****a) Cash and short term funds**

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
(i) Cash and balances with banks and other financial institutions	190	263
Deposits and placements with financial institutions, with original maturity of less than 3 months	200,000	200,000
	<u>200,190</u>	<u>200,263</u>
Expected credit losses	-	(101)
Cash and cash equivalents	<u>200,190</u>	<u>200,162</u>
(ii) Deposits and placement with financial institutions, with original maturity of more than 3 months	200,000	200,000
Expected credit losses	-	(77)
	<u>200,000</u>	<u>199,923</u>
Total	<u>400,190</u>	<u>400,085</u>

b) Financial assets at fair value through profit or loss

	Current Financial 2nd Quarter 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
At fair value:		
Islamic Malaysian government investment issue	20,258	-
	<u>20,258</u>	<u>-</u>

c) Financial assets at fair value through other comprehensive income

	Current Financial RM '000 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
At fair value:		
Islamic Corporate Notes	24,791	-
Islamic debt securities	610,642	611,555
Islamic Malaysian Government investment issue	526,600	647,067
	<u>1,162,033</u>	<u>1,258,622</u>

d) Financial assets at amortised cost

	Current Financial RM '000 31.12.2024 RM '000	Previous Financial Year Ended 30.6.2024 RM '000
At fair value:		
Islamic Malaysian Government investment issue	373,736	374,189
	<u>373,736</u>	<u>374,189</u>

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Notes to the Unaudited Interim Financial Statements (continued)**24. Operation of Islamic Banking (Skim Perbankan Islam (SPI)) (continued)****e) Deposits from customers**

	Current Financial 2nd Quarter 31.12.2024 <u>RM '000</u>	Previous Financial Year Ended 30.6.2024 <u>RM '000</u>
(i) By type of deposit		
Qard deposits	73,475	1,387,588
Commodity Murabahah	1,565,720	372,384
	<u>1,639,195</u>	<u>1,759,972</u>
(ii) By type of customers		
Government and statutory bodies	523,535	1,091,275
Business enterprise	725,843	290,359
Domestic Non-Bank Financial Institutions	388,264	376,812
Individuals	1,553	1,526
	<u>1,639,195</u>	<u>1,759,972</u>
(iii) The maturity structure of term deposits		
Due within three months	1,639,195	1,759,972
Three months to one year	-	-
	<u>1,639,195</u>	<u>1,759,972</u>

f) Deposit from placements of banks and other financial institutions

	Current Financial 2nd Quarter 31.12.2024 <u>RM '000</u>	Previous Financial Year Ended 30.6.2024 <u>RM '000</u>
Licensed banks	5,000	-
Commodity Murabahah	50,027	-
	<u>55,027</u>	<u>-</u>

g) Other liabilities

	Current Financial 2nd Quarter 31.12.2024 <u>RM '000</u>	Previous Financial Year Ended 30.6.2024 <u>RM '000</u>
Other payables and accruals	3,067	8,599
	<u>3,067</u>	<u>8,599</u>

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Notes to the Unaudited Interim Financial Statements (continued)**24. Operation of Islamic Banking (Skim Perbankan Islam (SPI)) (continued)****h) Income derived from investment of depositors' fund and others**

	Individual Quarter		Cumulative Quarter		Previous Financial Year-to-date 30.6.2024 RM '000
	Current	Previous	Current	Previous	
	Financial	Financial	Financial	Financial	
	2nd Quarter	2nd Quarter	Year-to-date	Year-to-date	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	
	RM '000	RM '000	RM '000	RM '000	
Income derived from investment of General Investment deposits	23,372	22,262	45,835	39,631	74,337
<u>Finance income and hibah</u>					
Placement with financial institutions	5,548	8,364	10,718	15,612	27,215
FVTPL financial assets	234	-	234	-	75
FVOCI financial assets	13,269	9,589	26,276	17,197	31,678
AC financial assets	4,321	4,309	8,607	6,822	15,369
Total finance income and hibah	23,372	22,262	45,835	39,631	74,337
<u>Other operating income</u>					
Gain from sales of FVPTL financial assets	386	-	386	-	95
Gain from sales of FVOCI financial assets	659	1,190	659	4,806	14,501
Net unrealised gain/(loss) on revaluation of FVTPL financial assets	217	-	217	-	-
	24,634	23,452	47,097	44,437	88,933

i) Income attributable to depositors

	Individual Quarter		Cumulative Quarter		Previous Financial Year-to-date 30.6.2024 RM '000
	Current	Previous	Current	Previous	
	Financial	Financial	Financial	Financial	
	2nd Quarter	2nd Quarter	Year-to-date	Year-to-date	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	
	RM '000	RM '000	RM '000	RM '000	
<u>Qard deposits</u>					
Deposit from customers	8,053	10,469	20,285	18,916	42,113
Deposits and placements of banks and other financial institutions	109	1,805	217	2,070	2,515
	8,162	12,274	20,502	20,986	44,628
<u>Commodity Murabahah deposits</u>					
Deposit from customers	8,435	2,117	10,955	4,098	7,349
Deposits and placements of banks and other financial institutions	963	516	2,077	967	1,696
	9,398	2,633	13,032	5,065	9,045
	17,560	14,907	33,534	26,051	53,673

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Notes to the Unaudited Interim Financial Statements (continued)**24. Operation of Islamic Banking (Skim Perbankan Islam (SPI)) (continued)****j) Other operating expenses**

	Individual Quarter		Cumulative Quarter		Previous
	Current	Previous	Current	Previous	Financial
	Financial	Financial	Financial	Financial	Financial
	2nd Quarter	2nd Quarter	Year-to-date	Year-to-date	Year-to-date
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	30.6.2024
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
<u>General administrative expenses</u>					
Bank charges	41	36	74	64	130
Brokerages fees	18	24	46	54	109
	59	60	120	118	239